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6 Attorneys for Defendants  
7 TIMOTHY C. DRAPER and DRAPER ASSOCIATES V.  
CRYPTO LLC

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

## SAN FRANCISCO DIVISION

**Plaintiffs,**

16 DYNAMIC LEDGER SOLUTIONS, INC., a  
17 Delaware Corporation, TEZOS STIFTUNG, a  
18 Swiss Foundation, KATHLEEN  
BREITMAN, an Individual, and ARTHUR  
BREITMAN, an Individual.

## Defendants

ANDREW OKUSKO, individually and on behalf of all others similarly situated.

Plaintiff.

vs.

24 DYNAMIC LEDGER SOLUTIONS, INC.,  
25 THE TEZOS FOUNDATION, KATHLEEN  
BREITMAN, ARTHUR BREITMAN, and  
TIMOTHY DRAPER.

## Defendants

Case No. 3:17-cv-06779-RS

**MEMORANDUM OF TIMOTHY C.  
DRAPER AND DRAPER ASSOCIATES V  
CRYPTO LLC IN SUPPORT OF MOTION  
TO CONSOLIDATE ALL RELATED  
CASES**

**Date:** March 1, 2018  
**Time:** 1:30 pm  
**Courtroom:** 3, 17<sup>th</sup> Floor  
**Judge:** Hon. Richard Seeborg

Case No. 3:17-cv-06829-RS

1 ANDREW BAKER, individually and on  
2 behalf of all others similarly situated,

3 Plaintiff,

4 vs.

5 DYNAMIC LEDGER SOLUTIONS, INC., a  
6 Delaware corporation, TEZOS STIFTUNG, a  
7 Swiss Foundation, KATHLEEN  
8 BREITMAN, an Individual, ARTHUR  
BREITMAN, an Individual, STRANGE  
BREW STRATEGIES, LLC, a California  
limited liability company, and DOES 1  
through 100 inclusive,

9 Defendants.

Case No. 3:17-cv-06850-RS

10 BRUCE MACDONALD, Individually and on  
11 Behalf of All Others Similarly Situated,

12 Plaintiff,

13 vs.

14 DYNAMIC LEDGER SOLUTIONS, INC., a  
15 Delaware corporation, TEZOS STIFTUNG, a  
16 Swiss Foundation, KATHLEEN  
17 BREITMAN, an Individual, ARTHUR  
BREITMAN, an Individual, TIMOTHY  
COOK DRAPER, an Individual, DRAPER  
ASSOCIATES, JOHANN GEVERS, an  
Individual, DIEGO PONZ, an Individual,  
GUIDO SCHITZKRUMMACHER,  
BITCOIN SUISSE AG, NIKLAS  
NIKOLAJSEN, and DOES 1-100 inclusive,

18 Defendants.

19 Case No. 3:17-cv-07095-RS

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1           Several proposed lead plaintiffs in the four above-captioned, related securities class  
 2 actions<sup>1</sup> have moved to consolidate some or all of the Related Cases (the “Consolidation  
 3 Motions”). Draper Associates V Crypto LLC and Timothy C. Draper (the “Draper Defendants”)  
 4 are defendants in two of the Related Actions - the Okusko Action and the MacDonald Action.<sup>2</sup>  
 5 The Draper Defendants do not oppose the Consolidation Motions to the extent that they seek to  
 6 consolidate *all four* of the Related Actions, including the MacDonald Action.<sup>3</sup> Consolidation of  
 7 less than all of the Related Actions would result in gross inefficiencies and unnecessary expense.  
 8 See *Casden v. HPL Techs., Inc.*, No. C-02-3510 VRW, 2003 WL 27164914, at \*1-2 (N.D. Cal.  
 9 Sept. 29, 2003)) (consolidating securities fraud cases “to relieve the parties . . . of the burdens  
 10 associated with participating in duplicative litigation” and to “minimize[] the expenditure of time  
 11 and money”); and *In re Reserve Fund Sec. & Derivative Litig.*, No. 08 CIV. 8060 PGG, 2009 WL  
 12 10467937, at \*1-2 (S.D.N.Y. Aug. 26, 2009) (consolidating PSLRA and non-PSLRA cases  
 13 involving “the same core set of operative facts” in order to “reduc[e] costs”). The Draper

14           <sup>1</sup> The actions are: *GGCC, LLC v. Dynamic Ledger Solutions, Inc., et al.* (U.S.D.C. N.D. Cal Case  
 15 No. 17-cv-06779-RS) (the “GGCC Action”); *Okusko v. Dynamic Ledger Solutions, Inc., et al.*  
 16 (U.S.D.C. N.D. Cal Case No. 17-cv-06829-RS) (the “Okusko Action”); *Baker v. Dynamic Ledger  
 17 Solutions, Inc., et al.* (U.S.D.C. N.D. Cal Case No. 17-cv-068505-RS) (the “Baker Action”); and  
 18 *MacDonald v. Dynamic Ledger Solutions, Inc., et al.* (U.S.D.C. N.D. Cal Case No. 17-cv-07095-  
 19 RS) (the “MacDonald Action”) (collectively, the “Related Cases”).

20           <sup>2</sup> Neither the Complaint in the Okusko Action nor the Complaint in the MacDonald Action states  
 21 a viable claim against either of the Draper Defendants. Draper Associates V Crypto LLC is  
 22 merely a 10% shareholder in Dynamic Ledger Solutions, Inc. (“DLS”) and owns no interest in the  
 23 Tezos Foundation. Mr. Draper is not an officer or director of either DLS or the Foundation. No  
 24 plaintiff has alleged or could allege any specific facts that give rise to an inference that either  
 25 Draper Defendant had the power to control DLS or the Foundation. In short, neither Draper  
 26 Defendant is properly alleged to be a control person under section 15(a) of the Securities Act of  
 27 1933 or to qualify as one of the category of persons listed in California Corporations Code  
 28 Section 25504 who may have collateral liability for a violation of California securities law. The  
 Draper Defendants intend to file a motion to dismiss after the filing of a consolidated amended  
 complaint.

3           <sup>3</sup> The motion of Nicolas Andreasson, Paul Martin and Richard Reckenbeil (GGCC Action Doc. #  
 4 49-1) seeks consolidation of all four Related Actions. The motion of David Lang, Ryan Coffey  
 5 and Alejandro R. Gaviria (GGCC Action Doc. # 38) seeks consolidation of all of the Related  
 6 Actions other than the Baker Action based on the fact that the Baker Action was then subject to a  
 7 pending motion to remand. (See GGCC Action Doc. # 38 at p. 4:9-18 and fn 3.) Now that the  
 8 Court has denied the remand motion without prejudice and stayed the Baker Action (Baker  
 9 Action, Doc. # 18), there is no legitimate basis to oppose consolidation of the Baker Action with  
 10 the other three Related Actions. The motion of GGCC, LLC, Pumaro, LLC and Nick Anthony  
 11 (GGCC Action Doc. # 53) and the motion of Trigon Trading Pty. Ltd. (GGCC Action Doc. # 55)  
 12 seek consolidation of all of the Related Actions other than the MacDonald Action.

1 Defendants take no position on the other issues raised by the Consolidation Motions, including  
2 the appointment of lead plaintiff or lead counsel.

3 Dated: February 9, 2018

MANATT, PHELPS & PHILLIPS, LLP

4 By: /s/ Christopher L. Wanger

5 Christopher L. Wanger

6 Attorneys for Defendants TIMOTHY C.  
7 DRAPE~~R~~ and DRAPER ASSOCIATES V  
8 CRYPTO LLC

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